

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF LOUISVILLE GAS AND ELECTRIC |) | |
| COMPANY AND KENTUCKY UTILITIES COMPANY |) | |
| REGARDING ENTRANCE INTO REFINED COAL |) | CASE NO. |
| AGREEMENTS, FOR PROPOSED ACCOUNTING |) | 2015-00264 |
| AND FUEL ADJUSTMENT CLAUSE TREATMENT, |) | |
| AND FOR DECLARATORY RULING |) | |

ORDER

This matter is before the Commission upon a motion filed by Louisville Gas and Electric Company and Kentucky Utilities Company (collectively "the Companies") on October 30, 2015, seeking to amend their August 19, 2015 application ("Application") requesting that the Commission grant approval for the Companies to enter into proposed refined coal production agreements ("Agreements") and for a proposed accounting treatment to flow net benefits from the proceeds of the Agreements through their respective fuel adjustment clauses ("FAC"). The Companies filed an Amended Application with their motion. The Companies move to withdraw their request for approval of the proposed accounting treatment and amend the Application to request authority to establish a regulatory liability for the proceeds from their proposed Agreements.

As a basis for the motion, the Companies state that the accounting treatment proposed in their Application related to the need for a uniform accounting for the transaction proceeds for each of the respective jurisdictions in which the Companies

operate. On October 13, 2015, the Federal Energy Regulatory Commission ("FERC"), in Docket No. EL15-92-000, denied the Companies authority for the same accounting treatment that was originally requested in their Application in this proceeding. Because the accounting treatment proposed in the Application to the Commission, if granted, would now create inconsistent accounting treatment that the Companies sought to avoid, they request to amend the Application.

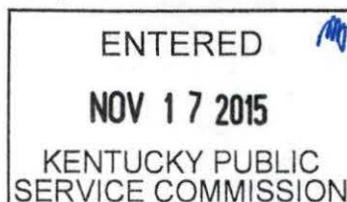
Pursuant to 807 KAR 5:001, Section 4(5), a party may file an amended application and the Commission shall allow an application to be amended upon good cause shown.

Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that the Companies have established good cause to permit them to amend their Application.

IT IS THEREFORE ORDERED that:

1. The Companies' Motion to Amend Application for Proposed Accounting and Fuel Adjustment Clause Treatment is granted.
2. The Amended Application is deemed filed as of the date of this Order.

By the Commission



ATTEST:


Executive Director

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